

Message Text

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ORIGIN SP-02

INFO OCT-01 EUR-12 NEA-10 IO-13 ISO-00 USIA-06 AID-05
EB-08 NSC-05 TRSE-00 SS-15 STR-05 OMB-01 CEA-01
IGA-02 MMO-01 COME-00 /087 R

DRAFTED BY S/P:CFARRAR;NE/DP:BLANGMAID
APPROVED BY S/P:ALAKE
AID/PPC:MR. PAOLILLO (DRAFT)
TREAS/IDN:MS. ATLAS (DRAFT)
TREAS/IDB:MR. HOOPENGARDEN (DRAFT)
EB:MR. WATSON (DRAFT)
IO:MR. COHN (DRAFT)
NEA:HPRECHT (DRAFT)

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P R 231432Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO PRIORITY
INFO AMEMBASSY PARIS
USMISSION USUN NEW YORK
USMISSION GENEVA

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FOR AMBASSADOR AND AID MISSION DIRECTOR - USOECD

E.O. 11652: ADS, DEC. 31, 1978

TAGS:ECON, EAID, EG

SUBJECT:ASSESSMENT OF EFFECTIVENESS OF ECONOMIC ASSISTANCE

SUMMARY: AS STATED IN SEPTTEL FROM DEPUTY SECRETARY WE ARE
LOOKING AT EXPERIENCE IN SEVERAL COUNTRIES AS PART OF A
CONTINUING EFFORT TO INCREASE UNDERSTANDING OF THE
EFFECTIVENESS OF BILATERAL AND MULTILATERAL ASSISTANCE.

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YOUR RESPONSE TO ISSUES STATED BELOW WILL HELP FORM THE
BASIS FOR FUTURE POLICY DECISIONS AS WELL AS PRESENTATION OF
OUR FY 1979 PROPOSALS. WE WOULD APPRECIATE RESPONSES TO THE
ISSUES STATED BELOW BY JANUARY 16 TO PERMIT TIME FOR PREPAR-
ATION OF CONGRESSIONAL TESTIMONY. END SUMMARY.

1. THE PURPOSE OF THIS REQUEST IS TO OBTAIN FOR A LIMITED

NUMBER OF COUNTRIES SPECIFIC AND RELIABLE SOURCE MATERIAL RELATED TO THE KEY PROBLEM OF FOREIGN ASSISTANCE EFFECTIVENESS THAT CAN BE DRAWN ON OVER THE COMING MONTHS AS A STARTING POINT FOR THE ANALYSIS OF POLICY ISSUES FOR THE FUTURE AND AS A BASIS FOR TESTIMONY TO THE CONGRESS THIS WINTER.

2. THE ATMOSPHERE FOR CONSIDERATION OF FY 1979 ECONOMIC ASSISTANCE PROPOSALS BY THE CONGRESS REFLECTS NOT ONLY AMBIVALENCE ABOUT FOREIGN ASSISTANCE, BUT ALSO CRITICISM OF THE EFFECTIVENESS OF OUR PROGRAMS, INCLUDING THOSE MULTILATERAL ACTIVITIES WE SUPPORT. WE MUST, IN ADDITION, TAKE NOTE OF GROWING CONCERN ABOUT FOREIGN COMPETITION WITH US SUPPLIERS WHICH WILL HAVE AN IMPACT ON ATTITUDES TOWARD FOREIGN AID AS WELL AS OTHER LEGISLATION NEEDED TO IMPLEMENT OUR NORTH/SOUTH POLICIES.

3. IN ORDER TO BE MOST USEFUL, WE ASK THAT YOUR RESPONSE BE SPECIFIC AND DETAILED. IT SHOULD BE ORIENTED TOWARD THE BASIC LONGER-TERM PURPOSES OF FOREIGN ASSISTANCE, AND IN PARTICULAR TOWARD THE GOAL OF GROWTH WITH EQUITY. THE EVIDENCE PRESENTED SHOULD GO BACK IN TIME AS FAR AS REQUIRED IN ORDER TO GIVE REASONABLE HISTORICAL PERSPECTIVE, OR MAKE THE NECESSARY POINT. TOO SHORT A PERSPECTIVE OFTEN OBSCURES LONG-TERM TRENDS. BUT CONCLUSIONS SHOULD BE RELEVANT TO THE PRESENT CONCERNS OF OUR ECONOMIC LIMITED OFFICIAL USE

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ASSISTANCE POLICY, BOTH IN YOUR COUNTRY AND MORE GENERALLY.

4. OTHER MISSIONS PARTICIPATING IN THIS EXERCISE ARE BEING ASKED TO DISCUSS THEIR BILATERAL AS WELL AS WORLD BANK, REGIONAL BANK, AND UN PROGRAMS. HOWEVER, AS THE HUMPHREY STUDY WILL COVER THE BILATERAL PROGRAM, YOU ARE ONLY BEING ASKED TO COMMENT ON MULTILATERAL PROGRAMS. SPECIFICALLY, PLEASE RESPOND TO THE FOLLOWING QUESTIONS:

A. AMONG THOSE PROJECTS SPONSORED BY THE WORLD BANK, THE REGIONAL DEVELOPMENT BANKS, AND OTHER UN SYSTEM AGENCIES SUPPORTED BY THE UNITED STATES, PICK A FEW EFFECTIVE PROJECTS--SAY FOUR--AND INEFFECTIVE PROJECTS--SAY TWO--AND CONSIDER THEM IN RELATION TO:

- I. REACHING THE POOR, INCLUDING CREATION OF EMPLOYMENT;
- II. SUCCESSFUL INSTITUTION-BUILDING;
- III. MOBILIZING RESOURCES, BOTH DOMESTIC AND FOREIGN;
- IV. MULTIPLIER EFFECTS, EITHER THROUGH REPLICATION OR INFLUENCE OVER GOVERNMENT POLICIES;
- V. RELEVANCE OF EFFECTIVE OR INEFFECTIVE DONOR

COORDINATION;

VI. THE SPECIFIC OBJECTIVES SET FORTH FOR THE PROJECT
AT ITS INCEPTION, AND ANY SIGNIFICANT UNINTENDED RESULTS.

IN RESPONDING, PLEASE CHOOSE PROJECTS THAT GIVE A GOOD
SPREAD AMONG SECTORS AND SPONSORING AGENCIES. ALSO
POINT OUT THE RELEVANCE OF THE POSITIVE OR NEGATIVE EXPER-
IENCE GAINED FROM THE PROJECT FOR CURRENT PROGRAMS OR THOSE
BEING PLANNED. EXPLAIN THE REASONS FOR WHAT OCCURRED TO
THE EXTENT YOU CAN.

B. COMMENT ON ANY SPECIFIC EXAMPLES OF UNUSUAL
EFFECTIVENESS OR INEFFECTIVENESS OF ASSISTANCE THAT GO
BEYOND THE PROJECT EXPERIENCE MENTIONED IN A, IN THE LIGHT
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OF US OBJECTIVES APPLICABLE TO YOUR COUNTRY.

C. COMMENT ON THE UNIQUE CHARACTERISTICS AND CONTRIBU-
TIONS, IF ANY, OF PROGRAMS OF THE DONOR AGENCIES LISTED IN
A. ILLUSTRATE WITH SPECIFIC EXAMPLES. GIVE EXAMPLES OF
ANY CASES WHEN AID PROJECTS HAVE RESULTED IN NEW WORLD BANK
PROGRAMS OR VICE VERSA.

5. WE WILL NEED YOUR ANSWERS BY JANUARY 16 SO THAT THE
INFORMATION CAN BE ANALYZED IN WASHINGTON IN TIME FOR THE
PREPARATION OF TESTIMONY.

6. YOU MAY REFER TO DOCUMENTS AVAILABLE IN WASHINGTON AS
SOURCES OF ADDITIONAL INFORMATION, BUT PLEASE MAKE THE
REPLIES SELF-CONTAINED. WHERE SOURCE DOCUMENT IS USED,
PLEASE SUMMARIZE THE INFORMATION AND PROVIDE YOUR JUDG-
MENT ON ITS VALIDITY AND RELEVANCE. INCLUDE ENOUGH DETAIL
SO THAT THE MATERIAL WILL BE CONVINCING WITHOUT FURTHER
RESEARCH. CERP 0008 ON TECHNICAL ASSISTANCE BY UN AGENCIES
IS ONE EXAMPLE OF REPORTING RELATED TO THIS REQUEST.

7. WHILE THE MAIN FOCUS THROUGHOUT THIS EXERCISE IS ON
THE US PROGRAM AND THE MULTILATERAL AGENCIES TO WHICH THE
US CONTRIBUTES, THE ROLE OF OTHER DONORS SHOULD BE INCLUDED
WHERE IT IS IMPORTANT TO YOUR RESPONSE.

8. WE WILL BE ASKING SOME PERSONNEL OF THE MULTILATERAL
AGENCIES TO COMMENT INFORMALLY AND INDEPENDENTLY ON THE
SAME ISSUES.

9. MAKE YOUR RESPONSE UNCLASSIFIED TO THE GREATEST
POSSIBLE EXTENT. IF ANY PART IS CLASSIFIED, PLEASE
SEGREGATE FROM THE BODY OF THE ANSWER.
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10. WE APPRECIATE THE AMOUNT OF WORK THAT IS INVOLVED IN
RESPONDING TO QUESTIONS OF THIS NATURE IN SUCH A SHORT
TIME, BUT BELIEVE THAT THE RESULTS WILL BE OF SUFFICIENT
VALUE TO OUTWEIGH THE INCONVENIENCE. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, AGREEMENTS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE306063
Document Source: CORE
Document Unique ID: 00
Drafter: CFARRAR;NE/DP:BLANGMAID
Enclosure: DG ALTERED AS 12/31/78
Executive Order: N/A
Errors: N/A
Expiration:
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From: STATE
Handling Restrictions: n/a
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Litigation History:
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Office: ORIGIN SP
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 137524
Secure: OPEN
Status: NATIVE
Subject: ASSESSMENT OF EFFECTIVENESS OF ECONOMIC ASSISTANCE SUMMARY: AS STATED IN SEPTTEL FROM DEPUTY SECRETARY WE ARE LOOKING AT EXPERIENCE IN SEVERAL COUNTR IES AS PART
TAGS: ECON, EAID, EG
To: CAIRO
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/48b8cafd-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009